

WC – 1 Resolution Urging Establishment of a Permanent Federal Water Affordability Program

Whereas the affordability of water and wastewater services is a critical issue facing low-income consumers across the country;

Whereas the U.S. Environmental Protection Agency, in its *2024 Water Affordability Needs Assessment*, estimated that “between 12.1 million and 19.2 million households throughout the United States lack affordable access to water services”¹;

Whereas in a Resolution on Water Equity adopted in February 2022, the National Association of Regulatory Utility Commissioners (NARUC) observed that “helping struggling customers pay their water and wastewater bills takes the combined effort of utilities, regulators, policy leaders, and communities” and listed several ways in which states could address water affordability, including via the establishment of rate-funded assistance programs²;

Whereas the American Water Works Association (AWWA) has observed a significant gap between what water and wastewater utilities are on pace to invest in their systems and what is needed to meet projected service requirements, estimating that the annual funding gap is \$56.6 billion and that, “Over the next 25 years (2026–2050), total drinking water infrastructure needs are projected at \$2.1–\$2.4 trillion (2025 dollars)”³;

Whereas AWWA noted that, “If communities rely exclusively on revenue from water bills to close the funding gap, average annual household drinking water bills would rise from \$429 in 2025 to \$969 by 2050 (2025 dollars) — more than doubling in real terms”⁴;

Whereas rising water and wastewater operating costs may disproportionately impact low-income customers in the form of higher rates;

Whereas water and wastewater utilities provide service to a significant amount of consumers in the U.S. In total, 148,000 water systems, both public and private, serve 90% of U.S. consumers⁵;

Whereas state regulatory commissions have successfully leveraged their oversight of regulated water and wastewater utilities to provide meaningful support to low-income water and wastewater customers struggling to afford service, but there is a lack of consistency in the availability of support for low-income customers who cannot afford to pay their water and/or wastewater bills each month⁵;

Whereas public utility commissions in states such as California, New Jersey, and Pennsylvania, among many others, have worked with private regulated water and wastewater utilities, which collectively serve more than 10 percent of the U.S. population, to establish a variety of customer assistance programs and other initiatives aimed at providing low-income customers with financial support to offset monthly water and wastewater bills,

¹ <https://www.epa.gov/system/files/documents/2024-12/water-affordability-needs-assessment.pdf>

² <https://pubs.naruc.org/pub/281465E0-1866-DAAC-99FB-F211A3BA4AAF>

³ www.awwa.org/wp-content/uploads/Beyond-the-Replacement-Era.pdf

⁴ www.awwa.org/wp-content/uploads/Beyond-the-Replacement-Era.pdf

⁵ <https://www.brookings.edu/articles/rethinking-regionalization-water-utilities-as-economic-development-partners/>

Whereas NARUC has long supported both state and federal initiatives aimed at addressing the affordability of water and wastewater services for low-income customers and has called for the use of federal resources to supplement state-level efforts to address water and wastewater affordability issues in a more comprehensive manner;

Whereas in a Resolution Supporting a LIHEAP-Equivalent to Assist Low-Income Drinking Water Utility Ratepayers adopted by NARUC in March 2004, NARUC first voiced its support for “the timely development of effective assistance programs for low-income ratepayers of drinking water systems”⁶;

Whereas during the COVID-19 pandemic, NARUC adopted two Resolutions, one in November 2021⁷ and the other in November 2022,⁸ calling for a permanent federal low-income household water assistance program;

Whereas in June 2021, the U.S. Department of Health and Human Services, through the Administration for Children and Families’ Office of Community Services (OCS), launched the Low-Income Household Water Assistance Program (LIHWAP), leveraging \$1.1 billion in total federal appropriations;

Whereas in its November 2021 Resolution Encouraging Permanent Federal Low-Income Household Water Assistance Program, NARUC “urge[d] Congress and the Administration to support legislation, budget measures, and regulations that provide assistance to the development and deployment of permanent low-income household drinking water and wastewater assistance programs that are available to all customers regardless of utility ownership” and underscored the importance to customers of maintaining “a permanent federal low-income drinking water and wastewater assistance program should be funded at levels equivalent to other federal low-income utility assistance program”;

Whereas NARUC, in its November 2022 Resolution Calling for Permanent Annual Federal Funding for a Low-Income Household Water Assistance Program, reiterated its call for “Congress to provide permanent annual funding for a federal Low-Income Household Water Assistance Program”;

Whereas LIHWAP ended in March 2024;

Whereas in its *LIHWAP Implementation and Impact Final Report*, OCS reported that, “During the life of the program, LIHWAP served 1,535,838 households, providing them with 2.1 million services. During this period, LIHWAP prevented 923,583 disconnections, restored water services 101,687 times, and reduced 1,120,417 water bills, issuing a total of 2,145,687 water assistance benefits to households in need. The LIHWAP grant recipient annual reports showed that benefits went to households that needed them the most; 56 percent of households served had vulnerable population members, and 59 percent of households had incomes at or below 75 percent of the federal poverty level.”⁹;

⁶ <https://pubs.naruc.org/pub/5397D2A5-2354-D714-51B5-5F3FB8800109>

⁷ <https://pubs.naruc.org/pub/493ACAA3-1866-DAAC-99FB-D8A74D2AF5E3>

⁸ <https://pubs.naruc.org/pub/E8FB76DC-1866-DAAC-99FB-3C4A1B789F55>

⁹ <https://acf.gov/sites/default/files/documents/ocs/LIHWAP-Final-Impact-and-Implementation-Report.pdf>

Whereas resources distributed through this federal affordability program also positively impacted water and wastewater utilities by stabilizing their revenues, allowing them to continue making needed investments in their infrastructure without having to disconnect to customers¹⁰;

Whereas as LIHWAP expired, NARUC sent a letter to Congress that observed that the program “proved itself to be a successful program in getting assistance to those who need it the most,” and noted that “the need for the program has only increased”¹¹; *now, therefore be it*

Resolved that the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2026 Summer Policy Summit in Minneapolis, Minnesota, urges Congress and the Administration to

- [i] establish a permanent water affordability program and appropriate sufficient funds to, at a minimum, replicate the reach and impact of the original program;
- [ii] provide equivalent advance appropriations to ensure continual funding for the program and fully staff the oversight agency to ensure all funds are released in a timely manner; *and*
- [iii] ensure the program is informed by the prior experience with LIHWAP and includes appropriate program integrity measures to ensure assistance reaches eligible households while maintaining accountability, transparency, and public confidence; *and be it further*

Resolved that NARUC stands ready to assist Congress and the Administration in the development, establishment, and implementation of a permanent federal water affordability program.

Passed by the Committee on Water and the Committee on Consumers

Adopted by the NARUC Board of Directors on July 22, 2026

¹⁰ <https://www.washingtonexaminer.com/op-eds/4564082/lihwap-water-congress-affordability/>

¹¹ <https://pubs.naruc.org/pub/6EE7DC3B-A957-69A1-001D-1A5D74A5544F>